

## Message Text

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PAGE 01 SINGAP 01813 01 OF 02 220248Z  
ACTION EB-08

INFO OCT-01 EA-10 IO-13 ISO-00 AGRE-00 CEA-01 CIAE-00  
COME-00 DODE-00 FRB-03 H-01 INR-10 INT-05 L-03  
LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05 SS-15  
STR-07 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02 OMB-01  
DOE-15 EUR-12 OIC-02 (ISO) W  
-----035493 232233Z /53

R 220030Z APR 78  
FM AMEMBASSY SINGAPORE  
TO SECSTATE WASHDC 109  
INFO AMEMBASSY BANGKOK  
AMEMBASSY JAKARTA  
AMEMBASSY KUALA LUMPUR  
AMEMBASSY MANILA  
USMISSION GENEVA

LIMITED OFFICIAL USE SECTION 1 OF 2 SINGAPORE 1813

E.O. 11652: N/A  
TAGS: MTN, ASEAN, ETRD  
SUBJ: MTN: US MEETING WITH ASEAN SENIOR TRADE OFFICIAL

1. SUMMARY: US-ASEAN MTN CONSULTATIONS HELD APRIL 19-20 WERE INFORMAL BUT CONSTRUCTIVE. MAIN RESULT WAS AN ASEAN COMMITMENT TO RESPOND TO US REQUESTS IN A POSITIVE MANNER IN BILATERAL TALKS WHICH ARE TO FOLLOW. ASEAN NATIONS CLEARLY DESIRE IMPROVEMENTS TO THE US OFFER BUT US DEL RESISTED REPEATED ASEAN EFFORTS TO OBTAIN US COMMITMENT TO IMPROVE AS A PRECONDITION TO NEGOTIATIONS EMPHASIZING INSTEAD THE NEED FOR NEGOTIATIONS TO MAINTAIN AN ALREADY VALUABLE US OFFER. END SUMMARY.

2. PHILIPPINE AMBASSADOR VEGA, SPEAKING FOR ASEAN, OUT-LINED FIVE AREAS OF CONCERN FOR ASEAN IN MTN TARIFF NEGOTIATIONS: A) IMPROVEMENTS IN US TROPICAL PRODUCTS  
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PAGE 02 SINGAP 01813 01 OF 02 220248Z

OFFER, B) IMPROVEMENT IN PRODUCT COVERAGE OF GENERAL US OFFER, C) ADVANCE IMPLEMENTATION OF US OFFER FOR LDCS, D) ACCELERATED STAGING ON PRODUCTS OF INTEREST TO ASEAN, AND 3) MAXIMUM US AUTHORITY AND GREATER THAN FORMULA CUTS, INCLUDING ELIMINATION OF DUTIES UNDER FIVE PERCENT ON ASEAN PRODUCTS.

3. RESPONDING FOR THE US, GRAEF OUTLINED US POSITION ON ABOVE POINTS. WITH RESPECT TO TROPICAL PRODUCTS THE ABSENCE OF ANY ASEAN RESPONSE TO AN IMPORTANT US OFFER TABLED TWO YEARS AGO WAS STRESSED. GIVEN THE FACT THAT THE GENERAL US OFFER WAS NOW ON THE TABLE THAT MORE THAN TRIPLED THE VALUE OF THE OFFER TO ASEAN IT WOULD BE DIFFICULT IF NOT COUNTERPRODUCTIVE TO SEPARATE THE TWO OFFERS. IN EITHER EVENT SERIOUS NEGOTIATIONS HAD TO BE JOINED IMMEDIATELY. ON IMPROVING THE US OFFER HE STRESSED THE NEED TO RESPOND TO US REQUESTS WHICH REFLECTED PRIORITY US EXPORT INTERESTS TO MAINTAIN THE PRESENT OFFER, POINTING AS WELL TO THE FACT THAT THE US HAD ALREADY INVITED REQUESTS FOR SPECIAL AND DIFFERENTIAL TREATMENT WHICH WOULD BE CONSIDERED ON A PRODUCT BY PRODUCT BASIS IN THE CONTEXT OF NEGOTIATIONS. THE US DEL FURTHER EXPLAINED THAT ADVANCED OR ACCELERATED IMPLEMENTATION COULD ONLY BE DONE ON A MFN BASIS AND THAT THE APPROACHING MID-SUMMER COMPLETION FOR THE MTN NEARLY PRECLUDED IMPLEMENTATION IN ADVANCE OF OTHER MTN RESULTS. WITH REGARD TO VEGA'S LAST POINT GRAEF POINTED TO THE NUMBER OF MAXIMUM US OFFERS INCLUDING DUTY ELIMINATION ALREADY INCLUDED IN THE OFFER.

4. VEGA STATED THAT ASEAN HAD BEEN SILENT ON US REQUESTS BECAUSE THEY WERE NOT SURE WHETHER THEY WOULD RECEIVE LIMITED OFFICIAL USE

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PAGE 03 SINGAP 01813 01 OF 02 220248Z

NET BENEFITS FROM THE NEGOTIATIONS. THEY WERE WAITING FOR IMPROVEMENTS, AND IN ADDITION ASEAN HAD BEEN FRIGHTENED BY THE EXTENSIVE US REQUEST LISTS. INDONESIAN AMBASSADOR KAHONO ADDED THAT INDONESIA WAS NOT IN A POSITION TO GIVE CONTRIBUTIONS SIMILAR TO THOSE IN THE US-MEXICO AGREEMENTS. US DEL ANSWERED THAT US-MEXICO AGREEMENTS WAS NOT A PRECEDENT FOR WHAT US EXPECTS OR WILL ACCEPT FROM OTHER COUNTRIES, AS EACH CASE IS DIFFERENT. HE EMPHASIZED THAT THE US NEEDS SECURITY OF MARKET ACCESS REGARDING LDC CONTRIBUTIONS AND THAT PRINCIPAL AND SUBSTANTIAL LDC BENEFICIARIES OF THE US OFFER ARE EXPECTED TO MAKE CONTRIBUTIONS.

5. AFTER ASEAN CAUCUS, VEGA STATED THE ASEAN NATIONS WERE READY TO RESPOND TO KS REQUESTS IN POSITIVE MANNER IF THEY COULD BE ASSURED OF ADDITIONAL BENEFITS STEMMING FROM BILATERAL NEGOTIATIONS. US DEL RESPONDED THAT ADDITIONAL BENEFITS TO ASEAN NATIONS ALREADY APPARENT FROM ANALYSIS OF US OFFERS AND REQUESTS; THAT US HAD REPEATEDLY STATED THAT ITS OFFER AND REQUESTS WERE NEGOTIABLE; THAT RESPONSE TO US REQUESTS WAS NEEDED; AND THAT US WOULD NOT GIVE BLANKET OR INDIVIDUAL

ASSURANCE OF IMPROVEMENTS TO ITS OFFERS. US DEL STRESSED THE SERIOUSNESS OF ITS INTENTION TO NEGOTIATE AS DEMONSTRATED BY ITS OFFER AND ITS PREVIOUS RECORD SUCH AS THE US-MEXICO AGREEMENT.

6. VEGA THEN SAID ASEAN SATISFIED WITH US OFFER MADE SO FAR, BUT THAT IN ORDER FOR DELEGATIONS TO CONVINCE CAPITALS TO MAKE POSITIVE RESPONSE TO US, DELEGATION MUST BE ABLE TO PRESENT AT SAME TIME FACT THAT THERE WERE GOOD CHANCES FOR INCREMENTAL BENEFITS. HE THEN ASKED IF US WAS PREPARED TO CONSIDER IMPROVEMENTS IN US OFFER ON PRODUCT BY PRODUCT BASIS DURING BILATERAL NEGOTIATIONS. GRAEF REPLIED THAT WE HAD INVITED REQUESTS WHICH WE WOULD CONSIDER IN A NEGOTIATING ENVIRONMENT LIMITED OFFICIAL USE

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PAGE 04 SINGAP 01813 01 OF 02 220248Z

MENT ON A PRODUCT BY PRODUCT BASIS.

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PAGE 01 SINGAP 01813 02 OF 02 220252Z

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LIMITED OFFICIAL USE SECTION 2 OF 2 SINGAPORE 1813

7. DISCUSSION OF MTN CODES, SAFEGUARDS, AND FRAMEWORK

WAS ANTICLIMATIC. ASEAN DELEGATIONS POLITELY LISTENED TO AN EXPOSITION OF US POSITION. SIGNIFICANT ASEAN REACTIONS WERE MADE ON SAFEGUARDS, AND GOVERNMENT PROCUREMENT; THEY SUPPORTED US POSITION ON NEW ENTRANTS OR MINOR SUPPLIERS UNDER SAFEGUARD ACTIONS BUT WERE CLEARLY CONCERNED ON THE SELECTIVE APPLICATION OF SAFEGUARDS. ON GOVERNMENT PROCUREMENT THEIR BELIEF THAT THE OBLIGATIONS THEY WOULD HAVE TO TAKE WOULD CLEARLY OUTWEIGH THE BENEFITS OF THE CODE WERE APPARENT.

8. COMMENT: US DEL BELIEVES THAT ASEAN DECISION TO ENTER BILATERAL NEGOTIATIONS WAS MADE DURING STO MEETING PRECEDING US-ASEAN SESSION. IT IS DIFFICULT TO SEPARATE ASEAN CHAIRMAN VEGA'S PERSONAL AGENDA FROM INDIVIDUAL ASEAN NATIONS POSITION BUT IT SEEMS CLEAR THAT SOME IMPROVEMENTS WILL BE NECESSARY TO SUCCESS-LIMITED OFFICIAL USE

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PAGE 02 SINGAP 01813 02 OF 02 220252Z

FULLY COMPLETE NEGOTIATIONS. THIS WILL DEPEND OF COURSE ON THE ASEAN RESPONSES TO OUR REQUEST. INFORMALLY WE HAD INDICATIONS FROM ALL ASEAN DELEGATIONS THAT THEY WILL RESPOND TO OUR REQUESTS IN THE SCHEDULED BILATERAL IN THE REGION, OR IN GENEVA DURING THE FIRST TWO WEEKS OF MAY. END COMMENT.

9. SEPTTEL FOLLOWS ON ASEAN PREFERENTIAL TRADE ARRANGEMENT.  
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## Message Attributes

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**TAGS:** ETRD, ECIN, SN, MTN, ASEAN  
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**Type:** TE  
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**Review Markings:**  
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